

Message Text

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ORIGIN STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 /126 R

DRAFTED BY STR:POMURPHY:ATN
APPROVED BY STR:POMURPHY
-----096532 120225Z /64
P 112235Z JUL 78
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO AMEMBASSY BRUSSELS PRIORITY

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ALSO USMTN

E.O. 11652:N/A

TAGS: ETRD

SUBJECT: RULES OF ORIGIN

1. FOLLOWING EXAMPLES TYPICAL OF TYPE OF LETTERS WE HAVE
RECEIVED ON RULES OF ORIGIN.

2. FROM LEVEL EXPORT SALES CORP. - MOST OF 117 MILLION IN
SALES GO TO CUSTOMERS IN WESTERN EUROPE.

"UNDER THE RULES, IF U.S.-ORIGIN DENIM IS USED TO MAKE BLUE
JEANS IN ITALY, THOSE FINISHED JEANS CAN NOT QUALIFY FOR
DUTY FREE EXPORT TO SWITZERLAND. JEANS MADE OF EC ORIGIN
DENIM, HOWEVER, DO QUALIFY -- GIVING THE ITALIAN MANUFACTUR-
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ERS A GOVERNMENT-SPONSORED INCENTIVE TO DISCRIMINATE AGAINST
AMERICAN PRODUCTS IN BUYING CLOTH.

LEVEL EXPORT HAS LOST ORDERS FROM MAJOR CUSTOMERS IN FRANCE,
ITALY, AND THE UNITED KINGDOM (ALL EEC COUNTRIES) BECAUSE
THESE CUSTOMERS WOULD LOSE THE BENEFIT OF DUTY-FREE IMPORTA-
TION INTO SWITZERLAND AND SCANDINAVIA IF THEY USED AMERICAN

DENIM TO MANUFACTURE THEIR BLUE-JEANS. THESE CUSTOMERS HAVE TOLD US THEY WERE FORCED TO SWITCH TO ITALIAN PIECE GOODS -- WHICH ALTHOUGH LOWER IN QUALITY AND MARKET ACCEPTANCE THAN AMERICAN DENIM -- ASSURED THEM THE 16-30 ADVANTAGE OF DUTY-FREE IMPORTATION INTO EFTA."

2. FROM DAN RIVER - EXAMPLES SITE BUSINESS LOST OF 1,350,000 DOLLARS.

BEGIN QUOTE

A MAJOR GARMENT MANUFACTURER IN ONE OF THE EEC COUNTRIES HAS GRADUALLY BEEN DEVELOPING AN IMPORTANT EXPORT BUSINESS TO THE EFTA COUNTRIES. THEY HAVE RECENTLY REPORTED THAT IT IS BECOMING INCREASINGLY BURDENSOME FOR THEM TO MAINTAIN SEPARATE PRODUCTION RECORDS AND INVENTORY ON GARMENTS WHICH ARE MANUFACTURED FROM "NON-ORIGIN" COUNTRIES AS COMPARED WITH THOSE MANUFACTURED FROM "ORIGIN" FABRICS. THEY ARE SERIOUSLY CONSIDERING ELIMINATING PURCHASE OF FABRICS FROM "NON-ORIGIN" SOURCES UNLESS, OF COURSE, THE FABRIC CAN BE OBTAINED ONLY FROM A "NON-ORIGIN" SOURCE OR IF THE PRICE IS SO MUCH CHEAPER THAT IT PAYS FOR THEM TO DO SO. OUR BUSINESS WITH THIS CUSTOMER HAS BEEN RUNNING AT A VOLUME OF 350,000 DOLLARS PER YEAR. END QUOTE

3. FOLLOWING INFORMATION FROM DEPT. OF COMMERCE PUBLICATION 1972 CENSUS OF MANUFACTURES GIVES CREDENCE TO INDUSTRY VIEW THAT 50 PERCENT VALUE ADDED CRITERIA WOULD NOT BE APPROPRIATE RESOLUTION.

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SIC INDUSTRY NO.	PRODUCT	RATIO
2311	MEN'S & BOYS (M&B) SUITS & COATS	.75
2321	M & B SHIRTS AND NIGHTWEAR	.96
2322	M & B UNDERWEAR	.85
2327	M & B TROUSERS	1.29
2328	M & B WORK CLOTHING INCL. JEANS	1.09
2329	M & B CLOTHING NES	.85
2337	WOMEN'S & GIRLS (W&G) SUITS & COATS	1.00
2339	W & G OUTERWEAR INCL. JEANS	1.13
2341	W & G UNDERWEAR	.84

COST OF MATERIALS DIVIDED BY VALUE ADDED BY MANUFACTURE.
CHRISTOPHER

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NNN

Message Attributes

Automatic DecapTIONing: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RULES, TRANSACTION CHECKS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 jul 1978
DecapTION Date: 01 jan 1960
DecapTION Note:
Disposition Action: Released in Full
Disposition Approved on Date:
Disposition Case Number: 200803464
Disposition Comment: RECORDING OF CLASSIFICATION/RECLASSIFICATION ACTION IN SAS (STATE ARCHIVING SYSTEM) BY THE DESIGNATED AUTHORITY FOR THIS ACTION, WHO HAS APPROVED RECLASSIFICATION AND OR EXTENSION ACTION ON THIS DOCUMENT.
Disposition Date: 03 sep 2008
Disposition Event:
Disposition History: Released in Full by THEODORE SELLIN on 03-SEP-08 ;
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE175115
Document Source: CORE
Document Unique ID: 00
Drafter: POMURPHY:ATN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780284-0741
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780772/aaaacivj.tel
Line Count: 109
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d97e4977-c288-dd11-92da-001cc4696bcc
Office: ORIGIN STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2046081
Secure: OPEN
Status: NATIVE
Subject: RULES OF ORIGIN
TAGS: ETRD, US
To: GENEVA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d97e4977-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014